

# Florida Department of Transportation Monthly Performance Review Meeting January 17, 2013

1. Acknowledgement of Visitors: Secretary Prasad introduced Rachel Cone, Deputy Chief of Staff, Director of Strategic Planning in the Governor's Office. The Secretary also welcomed back Chief of Staff Francis Gibbs.
2. Review of Minutes: The November minutes were reviewed.
3. Monthly Reports:

**Performance Report** – Freddie Simmons presented the Performance Report for FY 2013 for actions through December 2012. A final copy of the Report was posted on line after the meeting.

## CONSULTANT ACQUISITION:

- Executed 87% of the year-to-date (YTD) plan statewide in dollars (\$366 of \$421M) plus an additional \$22M for \$388M YTD total.
- Executed 107% of the YTD plan statewide in numbers (583 OF 545) plus an additional 80 for 663 YTD total.
- D1 @ 83%, D2 @ 67%, D3 @ 93%, D4 @ 91%, D7 @ 79%, TE @ 82%, and CO @ 87% did not meet the dollar target of 95% of the plan.
- 11 projects in the YTD plan have not been executed.
- We are on track to execute 1,122 projects @ \$735M (less negotiation savings).

## RIGHT-OF-WAY:

### CERTIFICATIONS:

- Certified 104% of the YTD plan in all districts (25 of 24) plus an additional 14 for 39 certifications YTD total.

### ACQUISITIONS:

- Acquired 145% of the YTD number of parcel acquisitions (605 of 417).
- Of the 605 parcel acquisition total, 353 were negotiated, 161 were acquired by order-of-taking, and 91 parcels were voided.

### PROGRAM EXPENDITURES:

- Acquired 106% of the YTD dollar value of parcel acquisitions (\$139 of \$132M).
- CO @ 64% did not meet the 80%-120% target.

### EMINENT DOMAIN/PARCEL INVENTORY:

- Began the fiscal year July 1, 2012 with 287 parcels in the inventory with 356 on December 31, 2012.
- 63 parcels (18%) are in the > 24 month category with a target of  $\leq 40\%$ .
- D7 @ 75% did not meet this target.
- Negotiation rates are at 69% with the 70% target.
- D1 @ 60% and D5 @ 55% did not meet this target.
- % parcels negotiated within 20% of initial offer is at 68% with a target of  $\geq 50\%$ .
- D5 @ 40% did not meet this target.
- % condemned parcels acquired with final judgment  $\leq 50\%$  of range of contention is at 82% with a target of  $\geq 50\%$ .

## EXCESS PROPERTY SUMMARY REPORT:

SECRETARY'S EXCESS PROPERTY SUMMARY REPORT										
DECEMBER 2012										
CATEGORIES	D1	D2	D3	D4	D5	D6	D7	TURNPIKE	STATEWIDE	END OF FY 2012
# of Parcels Identified as Excess	77	66	42	49	195	72	158	262	921	955
# of Parcels Under Review for Sale	0	0	4	0	0	6	24	0	34	6
# of Parcels Available for Sale	5	133	0	12	0	58	43	10	261	260
# of Parcels with Conveyance Pending	1	0	0	13	1	0	7	11	33	38
# of Parcels Under Review for Lease	0	0	0	0	0	2	6	0	8	3
# of Parcels Available for Lease	2	0	0	15	1	55	13	0	86	95
# of Parcels Sold in FY 2012/2013	0	6	0	1	0	11	1	5	24	36
Sales Revenue for FY 2012/2013	\$136,203.00		\$187,600.00	\$218,345.75	\$994,182.63	\$20,500.00	\$392,260.00	\$1,949,091.38	\$2,856,328.75	
# of Revenue Leases in FY 2012/2013	9	5	6	44	27	69	32	9	201	281
Lease Revenue for FY 2012/2013	\$18,147.98	\$17,843.02	\$30,809.25	\$934,721.13	\$172,560.73	\$793,181.87	\$289,701.79	\$28,325.00	\$2,285,290.77	\$6,014,956.28

## PRODUCTION ISSUES:

ADVANCED PRODUCTION (APP) as of January 11, 2013

APP DATA BY DISTRICT IN \$M							
DIST	2013	2014	2015	2016	2017	2018	DISTRICT 3 YR AVG. TARGET
1	\$ -	\$ 88,249,443	\$ 191,381,542	\$ 44,566,129	\$ 486,938,508	\$ 67,709,286	\$85.6
2	\$ -	\$ 18,249,319	\$ 263,685,087	\$ 394,269,747	\$ 432,318,852	\$ 207,433,218	\$109.0
3	\$ -	\$ 106,354,909	\$ 96,400,285	\$ 97,438,961	\$ 141,506,325	\$ 72,452,136	\$135.6
4	\$ -	\$ 19,749,060	\$ 70,619,204	\$ 386,078,159	\$ 309,587,713	\$ -	\$101.0
5	\$ 1,297,250	\$ 432,071,222	\$ 256,796,803	\$ 3,687,810	\$ 108,175,336	\$ 15,490,033	\$116.7
6	\$ 6,681,123	\$ 4,789,530	\$ 28,440,791	\$ 470,916,168	\$ -	\$ 119,365,864	\$71.2
7	\$ -	\$ 123,295,468	\$ 191,197,885	\$ 86,721,304	\$ 32,586,765	\$ 39,191,956	\$142.0
TE	\$ 4,142,686	\$ 96,305,855	\$ 280,866,106	\$ 259,275,651	\$ 189,785,746	\$ 625,260,659	\$234.3
Grand Total	\$ 12,121,059	\$ 889,064,806	\$ 1,379,387,703	\$ 1,742,953,929	\$ 1,700,899,245	\$ 1,146,903,152	\$995.4

  

APP DATA BY CONTRACT TYPE IN \$M							
CONTRACT TYPE	2013	2014	2015	2016	2017	2018	
CONSULTANT	\$ 3,500,000	\$ 42,880,000	\$ 65,833,644	\$ 17,383,051	\$ 7,920,000	\$ 11,269,900	
ROW	\$ 1,068,326	\$ 128,759,819	\$ 249,704,437	\$ 460,466,005	\$ 171,171,365	\$ 20,616,400	
CONSTRUCTION	\$ 7,471,007	\$ 651,991,984	\$ 951,004,624	\$ 1,173,451,449	\$ 1,353,014,304	\$ 983,482,439	
CEI	\$ 81,726	\$ 65,433,003	\$ 112,844,998	\$ 91,653,424	\$ 168,793,576	\$ 131,534,413	
YEARLY TOTALS	\$ 12,121,059	\$ 889,064,806	\$ 1,379,387,703	\$ 1,742,953,929	\$ 1,700,899,245	\$ 1,146,903,152	

## AMENDMENTS through December 31, 2012

- Total: 103 amendments with 142 phase actions were processed totaling \$487.2M.
  - 46 Adds @ \$282.1M
  - 6 Advances @ \$53.8M
  - 12 Defers @ \$48.1M
  - 39 Deletes @ \$103.3M

## REVISIONS AND ADDENDUMS

- There were 79 Contract Class 1 projects let through December in Tallahassee in FY2013 with 95 addenda of which 45 were within 15 days, and 66 revisions were processed of which 54 were mandatory.

## CONTRACT LETTINGS:

- Let to contract 87% of the YTD dollar plan budget (\$676 of \$780M), plus an additional \$23M for \$699M total.
- D1 @ 93%, D2 @ 94%, D3 @ 87%, D5 @ 86%, D7 @ 79% and SW @ 87% did not meet the 95%-105% dollar target.
- Let to contract 102% of the adopted number plan (172 of 168) plus an additional 16 for 188 total lettings.

- D1 @ 89% did not meet the 95%-105% number target.
- 53 projects @ \$207M are planned for January lets; 55 projects @ \$268M are planned for February; 55 projects @ \$163M are planned for March.

#### BID ANALYSIS:

- Through December, we had received bids on 188 projects for \$699.0M.
- The adopted/advanced/added estimate of these was \$792.6M.
- That resulted in \$93.6M in low bids averaging -11.8% statewide below the July 1, 2012 adopted plan.
- The difference between the official estimate and the low bids was -8.8%.

#### CONSTRUCTION:

- YTD at 2.5% cost increase against a target of  $\leq 10\%$  on 141 active contracts.
- YTD at 6.1% time increase against a target of  $\leq 20\%$  on 141 active contracts.
- YTD with 95.0% of the contracts having final contract costs less than 110% of original, with a target of  $> 90\%$  (contract status 6, 7 or 8)
- D1 @ 89.7% did not meet the cost increase target.
- YTD with 83.0% of the contracts having final contract times less than 120% of original, with a target of  $> 80\%$  (contract status 6, 7 or 8).
- D1 @ 65.5% did not meet the time increase target.
- A list of projects not meeting these measures was included.

#### VALUE ENGINEERING:

##### VALUE ENGINEERING (VE) PROGRAMS

PROJECT COST AVOIDANCE IN DESIGN (VE)									
FY 2013									
PERFORMANCE REVIEW FOR JANUARY 17, 2013									
	D1	D2	D3	D4	D5	D6	D7	TE	SW
FY 2013 2013-2015 LETTINGS- AVERAGE MONTHLY PER DISTRICT ACCUMULATED THRU 12/12	\$134.1	\$162.3	\$151.3	\$48.5	\$99.3	\$68.2	\$99.3	\$122.1	\$885.1
# VE STUDIES	0	0	2	3	2	1	0	0	8
ANNUAL APPROVED COST AVOIDANCE/SAVINGS ADOPTED RECOMMENDATIONS									
\$M RECOMMENDED	\$0.00	\$0.00	\$18.81	\$23.93	\$31.04	\$90.74	\$0.00	\$0.00	\$164.52
*\$M APPROVED	\$0.00	\$0.00	\$18.67	\$8.13	\$14.75	\$17.23	\$0.00	\$0.00	\$58.78
ANNUAL APPROVED VALUE ADDED ADOPTED RECOMMENDATIONS									
\$M RECOMMENDED	\$0.00	\$0.00	\$0.00	\$0.06	\$2.01	\$46.08	\$0.00	\$0.00	\$48.15
\$M APPROVED	\$0.00	\$0.00	\$0.00	\$0.05	\$0.10	\$27.14	\$0.00	\$0.00	\$27.29
ANNUAL ADOPTION RATE (TARGET 40% - 60%)									
# RECOMMENDED	0	0	12	11	29	30	0	0	82
# APPROVED	0	0	11	5	15	14	0	0	45
% APPROVED	NP	NP	92%	45%	52%	47%	NP	NP	55%
PERCENT PROJECT SAVED									
% PROJECT SAVED (VE SAVINGS DIVIDED BY COST OF PROJECTS VED)	NP	NP	11.09%	4.50%	5.59%	1.28%	NP	NP	3.00%
% PROGRAM SAVED (VE SAVINGS DIVIDED BY * 3 FY'S LETTINGS - MONTHLY AVERAGE FOR THE DISTRICT ACCUMULATED TO DATE)	NP	NP	12.34%	16.76%	14.85%	25.26%	NP	NP	6.64%

Kurt Lieblong gave the report for Value Engineering. Since the last report in December 2012, there were 5 Value Engineering recommendations approved worth \$8.13 million in project cost avoidance and there was one Cost Savings Initiative proposal approved totaling \$20,000 in project savings.

Through December 2013, there has been 8 Value Engineering Studies conducted statewide. The Department has approved 45 of 82 (55%) Value Engineering recommendations worth \$58.78 million in project cost avoidance and \$27.29 million in value added. This resulted in a 3.00% project savings and a 6.64% program savings. During this same period, 12 Cost Savings Initiative proposals were approved worth \$1.63 million in project savings. This resulted in a 0.44% project savings and a 0.18% program savings.

#### COST SAVINGS INITIATIVE (CSI) PROGRAM

<b>PROJECT COST SAVINGS IN CONSTRUCTION (CSI)</b> <b>FY 2013</b> <b>PERFORMANCE REVIEW REPORT JANUARY 17, 2013</b>									
	D1	D2	D3	D4	D5	D6	D7	TE	SW
FY 2013 2013-2015 LETTINGS- AVERAGE MONTHLY PER DISTRICT ACCUMULATED THRU 12/12	\$134.1	\$162.3	\$151.3	\$48.5	\$99.3	\$68.2	\$99.3	\$122.1	\$885.1
CSI SUMMARY - CSI ACTED UPON									
# ACTED UPON	4	5	6	1	0	0	4	1	21
# APPROVED	3	1	4	1	0	0	2	1	12
CSI APPROVED SAVINGS									
\$M ACTED UPON	\$0.58	\$0.18	\$0.43	\$0.10	\$0.00	\$0.00	\$0.54	\$0.03	\$1.86
*\$M APPROVED	\$0.57	\$0.09	\$0.41	\$0.10	\$0.00	\$0.00	\$0.43	\$0.03	\$1.63
CSI PERCENT PROJECT SAVED									
% PROJECT SAVED (CSI SAVINGS DIVIDED BY COST OF PROJECTS CSI'D)	0.94%	0.31%	0.85%	0.51%	NP	NP	0.21%	0.56%	0.44%
% PROGRAM SAVED (CSI SAVINGS DIVIDED BY *3 FY'S LETTINGS - MONTHLY AVERAGE FOR THE DISTRICT ACCUMULATED TO DATE)	0.43%	0.06%	0.27%	0.21%	NP	NP	0.43%	0.02%	0.18%

#### CONTRACT MAINTENANCE:

- Contracted statewide 105% of YTD plan (\$286M of \$271M) or \$15M more in dollars.
- Contracted statewide 123% of YTD plan (944 of 770) or 174 more in number.

#### FREIGHT, LOGISTICS, AND PASSENGER OPERATIONS (FLP)

- FLP expenditures YTD at 108% of plan (\$382M of \$353M), \$29M ahead of plan.
- FRE expenditures YTD at 297% of plan (\$57M of \$19M), \$38M ahead of plan.
- All District overall program areas are at or above plan; CO was @ 87% in FLP.
- The specific program areas for all districts were included.

#### LAP PROGRAM:

##### CONSULTANT LAP ACQUISITIONS

- Executed 120% on the adopted plan statewide in dollars (\$6.5M of \$5.4M) plus an additional \$2.3M for \$8.8M total.
- Executed 119% on the adopted plan statewide in numbers (31 of 26) plus an additional 8 for 39 total.
- All districts were at or above YTD plan.

##### CONTRACT LAP LETTINGS

- Let YTD 144% of the adopted statewide dollar plan (\$26.5 of \$18.4M) plus an additional \$2.4M for \$30.9M total.
- D4 @ 88% was below the target of  $\geq 95\%$  in dollars.
- Let YTD 150% of the adopted statewide number plan (39 of 26) plus an additional 6 for 45 total.

- All districts were at or above YTD plan.

#### FEDERAL AID:

- Total Obligation Authority available this year is \$1,819,637.
- The % obligated to date is 11.7%.
- The Unexpended Balance through October for Inactive Federal Projects as a % of Annual Apportionments is 0.26% with a <4% Benchmark (24 consecutive months below 4%).

James Jobe presented the report on Federal Aid.

#### Federal Legislation:

##### MAP-21 Obligation Authority

We are still operating under a Continuing Resolution which provided \$827.5 million of Obligation Authority (OA) for the first six months of the new federal fiscal year, which takes us through March 27, 2013. We currently have \$672 million remaining on the books for obligation. This should be sufficient to support our production needs through March since most of our OA consumption takes place in the second half of the federal fiscal year.

#### Obligation Authority Plan:

So far this year, we have \$1.82 billion to obligate, which includes \$70.4 million in deobligations year-to-date on projects that released funds and OA arising from low bids and closing projects under budget.

Through December we obligated \$213.3 million, which is almost 12% of the total annual plan of obligation.

#### Financially Inactive Federal Aid Projects:

The chart is the statewide summary of our financially inactive federal aid projects. It shows the current status of these obligated but unexpended balances as of December 31<sup>st</sup>, and also shows a trend line of the percentage obligated but still unexpended at the end of each of the last 24 months.

Also noted on the chart is the national benchmark used by FHWA, which is a maximum of 4% of each state's annual federal apportionments.

At the end of December, we were at .26%, which is the lowest it's ever been since we started reporting on this back in 2005. Prior to this month the lowest we had achieved was .27% last June.

I should also note we've been told by the Florida Division Office that they will be enhancing their monitoring of inactive obligations in the very near future.

We've also been told that FHWA is considering moving away from the "tiered" methodology and may begin requesting explanations for all financially inactive projects, regardless of the dollar value of the unexpended obligations.

Under the current methodology, we are only required to provide written justifications for projects with unexpended balances that exceed the dollar thresholds for the various tiers shown on the chart. However, last month we were notified that FHWA Headquarters will be reviewing the states' explanations for all projects which have been financially inactive for 30 months or more, regardless of the dollar value of the unexpended obligations.

This apparently is just the first step in the changes being made to the way in which FHWA will be monitoring inactive obligations in the future. It appears that in the future we may have a substantial increase in the number of inactive projects for which we will have to provide explanations to FHWA.

FHWA is currently in the process of finalizing the changes to their reporting requirements and the Florida Division Office will share the changes with us as soon as they are released.

#### TRANSPORTATION COMMISSION MEASURES

- All measures were met YTD

#### MEASURES SUMMARY

District 6 was at or above all measure targets.

**Strategic Highway Safety Plan** – Joe Santos provided a quarterly update on the Strategic Highway Safety Plan Performance Review. The presentation provided an overview of state and district closeout statistics for the 2006 Strategic Highway Safety Plan along with new data for the 2012 Strategic Highway Safety Plan.

**Salary Projections and Operating Budget** – Pamela Warner reported the Fiscal Year 2012/13 Budget Status report (featuring Projected Salaries & Benefits as of December 31, 2012) was presented in the format decided on at the November 15, 2012 meeting. The amounts shown on the slide were reviewed, and the Fixed Capital Outlay (Buildings & Grounds) close out of Fiscal Year 2011/12 was highlighted for the District Secretaries. The updated vacancy number of 771 as of January 16, 2013 was presented (which was not on the slide), and the details on that updated number were provided by Irene Cabral.

**Personnel Reports** – Irene Cabral gave an update on Personnel issues.

**Economic Parity** – Art Wright gave the parity report. In the Economic Parity Report for Females, the Department has a need for 25 in the Service/Maintenance category. Over the last two months (November and December), the Department had 3 opportunities and was able to hire 2 females in those positions. Last year at this time, we had a need of 30 so we have been successful in reducing our need by 5 over the last year.

For minorities, the Department has a need of 45 in the Skilled Craft category. Over the last two months, the Department had 3 opportunities, but was not able to hire a minority. In the Service/Maintenance category where we have a need of 21, we had 2 opportunities, but also were not able to hire a minority into these positions. Comparing our numbers to last year, we reduced our need in the skilled craft category by 5 going from 50 to 45 and in the Service/Maintenance category, the need reduced by 3 going from 24 to 21.

**Minority Business Enterprise (MBE) Report** – Art Wright presented the MBE report. In the Minority Business Enterprise Report for the first half of the state fiscal year, the Department is at 55.1% of the dollars spent last year. With being 50% through the fiscal year, the Department continues to move at a good steady pace in spending more with MBEs than we did last year.

4. Additional Comments - None

The meeting adjourned at 10:25 a.m.